



REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

116-118 KANEOHE BAY DRIVE
116-118 Kaneohe Bay Drive
Kailua, Oahu, Hawaii

Registration No. 2547 (Conversion)

Issued: December 27, 1991
Expires: January 27, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 12, 1991, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

 PRELIMINARY: The developer may not as yet have created the condominium but has filed with the
(yellow) Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

 X **FINAL:** The developer has legally created a condominium and has filed complete information
(white) with the Commission.
[X] No prior reports have been issued
[] Supersedes all prior public reports
[] Must be read together with _____

 SUPPLEMENTARY: Updates information contained in the
(pink) [] Prelim. Public Report dated _____
[] Final Public Report dated _____
[] Supp. Public Report dated _____

And [] Supersedes all prior public reports
[] Must be read together with _____
[] This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[] Required [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[X] No prior reports have been issued by the Commission.

[] Changes made are as follows:

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* * * * *
*
*              SPECIAL ATTENTION
*
*   This is a CONDOMINIUM PROJECT, not a subdivision. The
*   land area beneath and immediately appurtenant to each
*   unit is designated a LIMITED COMMON ELEMENT and does
*   not represent a legally subdivided lot. The dotted
*   lines in the Condominium Map bounding the designated
*   number of square feet in each limited common element
*   land area are for illustration purposes only and should
*   not be construed to be formal subdivision lines.
*
*   This public report does not constitute approval of the
*   Project by the Real Estate Commission, nor does it
*   ensure that all applicable County codes, ordinances,
*   and subdivision requirements have necessarily been
*   complied with.
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY
*   REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER
*   INFORMATION WITH REGARDS TO THE FOREGOING.
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* * * * *
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GENERAL INFORMATION ON CONDOM. JMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- ☒ Fee simple interest in an apartment and an undivided feehold interest in the common elements.
☐ Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
☐ Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. ☐ New Building(s) ☒ Conversion
☐ Both New Building(s) and Conversion
2. ☒ Residential ☐ Commercial ☒ Ohana-Apartment B
☐ Mixed Residential and Commercial ☐ Agricultural
☐ Other _____
3. ☐ High Rise (5 stories or more) ☒ Low Rise
4. ☐ Single or ☒ Multiple Buildings
5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
A	1	3/2	1,196	275
B	1	1/1	974	325
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

Assigned Stalls (Individual Units)
 Guest Stalls
 Unassigned Stalls
 Extra Stalls Available for Purchase
 Other: _____

Total Parking Stalls

Number of Stalls

10
2

12

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

David G. Alexander
Heidimarie Alexander

James David Crockett
Setsuko Crockett

254-6205 Alexanders
254-4963 Crocketts

Developer:

Phone: _____
(Business)

Name

118 Kaneohe Bay Drive 116 Kaneohe Bay Drive

Business Address

Kailua, HI 96734 Kailua, HI 96734

Names of officers or general partners of developers who are corporations or partnerships:

Real Estate
Broker:

Bradley Properties, Ltd.

Phone: 261-3314
(Business)

Name

21 Oneawa Street

Business Address

Kailua, Hawaii 96734

Escrow:

Security Title Corporation

Phone: (808) 521-9511
(Business)

Name

Twelfth Floor, 1001 Bishop Street

Business Address

Honolulu, Hawaii 96813

General
Contractor:

N/A

Phone: _____
(Business)

Name

Business Address

Condominium
Managing
Agent:

Self management by Association
of Apartment Owners

Phone: _____
(Business)

Name

Business Address

Attorney for
Developer:

Hiroshi Sakai, Attorney at Law,
A Law Corporation

Phone: (808) 531-4171
(Business)

Name

201 Merchant Street, Suite 902

Business Address

Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

☐ Proposed
☒ Recorded - Bureau of Conveyances - Document No. 91-126785
Book _____ Page _____
☐ Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The First Amendment to the Declaration of Condominium Property Regime and By Laws of 116-118 Kaneohe Bay Drive dated November 4, 1991 was recorded as Document No. 91-750790. The Second Amendment to the Declaration and By Laws dated November 25, 1991 was recorded as Document No. 91-165070.

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

☐ Proposed
☒ Recorded - Bureau of Conveyance Condo Map No. 1156
☐ Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

☐ Proposed
☒ Recorded - Bureau of Conveyances - Document No. 91-126786
Book _____ Page _____
☐ Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

- D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

☐ Proposed ☒ Adopted ☐ Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Majority vote of Board of Directors</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:**

☐ No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

☒ Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

Developer has reserved the right to alter the units in the Project under Paragraph 15.0 and amend the Declaration under Paragraph 16.0, including changes to the Condominium Map and the filing of the "as built" plans, amend the By Laws under Article VI, Section 1 and adopts Building Rules under Article V, Section 4 of the By Laws.

III. THE CONDOMINIUM PROJECT

A Interest to be Conveyed to Buyer:

- [X] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.
- [] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly
 ☐ Semi-Annually ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 [] Month [] Year.

- [] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:**

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ ☐ Monthly ☐ ☐ Quarterly
 ☐ ☐ Semi-Annually ☐ ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 [] Month [] Year.

- () Other:

For Subleaseholds:

- [] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
[] Cancelled [] Foreclosed
- [] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 116-118 Kaneohe Bay Drive, Kailua, Hawaii Tax Map Key: (1) 4-4-1-14
(TMK)

[] Address [] TMK is expected to change because _____

Land Area: 14,000 [X] square feet [] acre(s) Zoning: R-10

Fee Owner:	<u>David Gynith Alexander</u>	<u>James D. Crockett</u>
	<u>Heidimarie M. Alexander</u>	<u>Setsuko Kono Crockett</u>
	Name	
	<u>118 Kaneohe Bay Drive</u>	<u>116 Kaneohe Bay Drive</u>
	Address	
	<u>Kailua, Oahu, Hawaii 96734</u>	<u>Kailua, Oahu, Hawaii 96734</u>

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

1. [] New Building(s) [X] Conversion of Existing Building(s)
[] Both New Building(s) and Conversion

2. Buildings: 2 Floors Per Building 1

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [] Hollow Tile [X] Wood

[] Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>2</u>	<u>Yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____	_____	_____		_____	_____

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

☒ Yes ☐ No

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

☐ Pets: _____

☐ Number of Occupants: _____

Apartment A shall not exceed one (1) story in height and Apartment B
☒ Other: shall not exceed two (2) stories.

☐ There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators N/A Stairways N/A Trash Chutes N/A

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	<u>1</u>	<u>3/2</u>	<u>1,196 sq. ft.</u>	<u>275 sq. ft.</u>
B	<u>1</u>	<u>1/1</u>	<u>974 sq. ft.</u>	<u>325 sq. ft.</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

The exterior surface of the structure and the description of the limited common element land areas for each of the units as set forth in the Condominium Map.

Permitted Alterations to Apartments:

Apartments may be altered in accordance with the Declaration and the Building Code, Zoning and Subdivision Ordinances. In no circumstances shall any alteration cause Apartment A to exceed one (1) story in height or Apartment B to exceed two (2) stories in height.

7. Parking Stalls:

Total Parking Stalls: 12

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)		<u>10</u>					<u>10</u>
Guest		<u>2</u>					<u>2</u>
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>12</u>						

Each apartment will have the exclusive use of at least 4 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

☐ Commercial parking garage permitted in condominium project.

☐ Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

☒ There are no recreational or common facilities.

☐ Swimming pool

☐ Storage Area

☐ Recreation Area

☐ Laundry Area

☐ Tennis Court

☐ Trash Chute

☐ Other: _____

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Apartment A was constructed approximately in 1959 and Apartment B was constructed with an Ohana permit in 1983. The plumbing, electrical and structural systems appear to be in order. No statement is made as to the expected useful life of each item reported.

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

The buildings are in compliance with the Building Code.

10. Conformance to Present Zoning Code

a. ☒ No variances to zoning code have been granted.

☐ Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u></u>	<u></u>
Structures	<u>X</u>	<u>X*</u>	<u></u>
Lot	<u>X</u>	<u></u>	<u></u>

*Apartment B--See Page 18, item 2

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

☒ Exhibit A describes the common elements.

☐ As follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

☒ The limited common elements and the apartments which may use them are:

☐ described in Exhibit

☒ as follows:

The land area of each dwelling consisting of the area beneath and immediately adjacent to each dwelling as shown and delineated on the Condominium Map.

Apartment A - 4,444.50 square feet and Parking Stalls numbered A-1 through A-4 inclusive

Apartment B - 4,379.75 square feet and Parking Stalls numbered B-1 through B-6 inclusive

NOTE: Each unit is not situate on a legally subdivided lot and until a change permitting subdivision of the lot is enacted the apartment owner cannot subdivide as referred to under Permitted Alterations to Apartments on Page 12 of this Report.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

☐ Exhibit describes the common interests for each apartment.

☒ As follows:

Apartment A - 50% appurtenant common interest

Apartment B - 50% appurtenant common interest

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit B describes the encumbrances against the title contained in the title report dated October 9, 1991 and issued by Security Title Corporation.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Leasehold Mortgage dated June 27, 1985 in favor of Rayburn Gynith Alexander and Mildred Alexander for \$65,000.00, recorded in Book 18740, Page 550.	Buyer may lose right to purchase apartment, but will be entitled to a refund of deposit.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[X] self-managed by the Association of Apartment Owners.

[] other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit E contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

☒ Not applicable

☐ Electricity

☐ Television Cable

☐ Gas

☐ Water & Sewer

☐ Other _____

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: No warranties.

2. Appliances: No warranties.

J. Status of Construction and Estimated Completion Date:

Apartment A - Completed in 1959

Apartment B - Completed in 1983

K. Project Phases:

The developer ☐ has ☒ has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

☐ Notice to Owner Occupants

☒ Specimen Sales Contract

Exhibit C contains a summary of the pertinent provisions of the sales contract.

☒ Escrow Agreement dated May 9, 1991 with Security Title Corporation

Exhibit D contains a summary of the pertinent provisions of the escrow contract.

☐ Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

A. Each apartment is a free standing dwelling and each has direct access to a vehicular easement having direct access to the parking lot and to Kaneohe Bay Drive. Each apartment has its own meter for water hookup and services. The utilities and water services will be separately billed.

B. Ohana Disclosure as to Unit B. The Department of Land Utilization by letter dated November 22, 1991 have made comments as to the Ohana Disclosure as to Unit B. The following are the disclosures made in connection with Unit B:

1. Unit B of 116-118 Kaneohe Bay Drive was constructed in 1983 as an "ohana" dwelling pursuant to the provisions of Section 6.20 ("Housing: Ohana Dwellings") of the Land Use Ordinance of the City and County of Honolulu ("LUO"). At the time of its construction, said dwelling was fully conforming to the LUO.

2. Subsequently, on April 28, 1988, said Section 6.20 was amended to provide, among other things, that the maximum size of an "Ohana" accessory dwelling unit on a residentially zoned lot shall be restricted. Specifically, in a zoning district designed as R-10, as is this Project, the maximum permitted floor area of an ohana accessory dwelling unit is 900 square feet.

3. Accordingly, Unit B which previously conformed to the LUO, does not now comply with Section 6.20, as amended. The dwelling is, therefore, presently considered a "non-conforming structure" to the extent that its size exceeds 900 square feet. At such, under present law, the unit may not be expanded beyond its existing size.

4. In December 1989, the Honolulu City Council amended the Ohana Ordinance to permit dwellings that were approved as ohana accessory dwelling units prior to square footage limitations imposed in 1988 to be rebuilt to their original size, subject to certain conditions.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2547 filed with the Real Estate Commission on November 5, 1991.

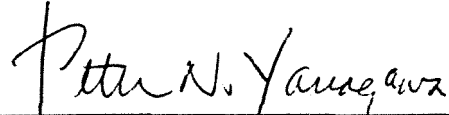
Reproduction of Report. When reproduced, this report must be on:

☐ yellow paper stock

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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



PETER YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances

Department of Finance, City & County of Honolulu

Planning Department, City & County of Honolulu

Federal Housing Administration

EXHIBIT "A"

Common Elements. The common elements which the apartments have immediate access to include:

- a. The land in fee simple.
- b. The land designated as Parking Stalls G-1 and G-2 and the land area surrounding the parking areas as well as the land access to Apartment B alongside Apartment A.
- c. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.
- d. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. As to Real Property Taxes, check with Tax Assessor, City and County of Honolulu, for further information.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. A 50-foot proposed road widening setback line along Kaneohe Bay Drive, as shown on File Plan No. 580. By letter dated November 27, 1989 from Alfred J. Thiede, Director of the Department of Transportation Services of the City and County of Honolulu, said road widening setback was reduced to 20 feet.

4. The terms and provisions of Lease No. 3334 by and between Kaneohe Ranch Company, Limited, a Hawaiian corporation, "Kaneohe", and Clinton Willams Murchison, Jr., John Dabney Murchison, Paul Whitney Trousdale, and Horace Winfred Beek White, "Sublessors", as Lessor, and Quon Chock Lum, whose wife's name is Elizabeth Lum, as Lessee, dated January 5, 1959, recorded in the Bureau of Conveyances, State of Hawaii, in Book 3566, Page 475, for a term of fifty-five (55) years commencing with the First day of January, 1958.

Through mesne assignment(s), the foregoing Lease No. 3334 is now held by: Assignment of Lease by and between Charles T. Schaeffer and Arlene Joyce Schaeffer, husband and wife, as Assignor, and Mark R. Curtin and Roxane Curtin, husband and wife, as Tenants by the Entirety, as to an undivided one-half (1/2) interest, and James D. Crockett, unmarried, as to an undivided one-half (1/2) interest, as Tenants in Common, dated April 29, 1981, recorded in said Bureau in Book 15522, Page 775; and Assignment of Lease by and between Mark R. Curtin and Roxane Curtin, husband and wife, as Assignor, and David Gynith Alexander and Heidemarie M. Alexander, husband and wife, as Tenants by the Entirety, as ASSignee, dated December 15, 1984, recorded in said Bureau in Book 18379, Page 87, as to an undivided one-half (1/2) interest.

The foregoing Lease No. 3334 is subject to the following:

a) Mortgage by and between David Gynith Alexander and Heidemarie Alexander, husband and wife, as Mortgagor, and Rayburn Gynith Alexander and Mildred Alexander, husband and wife, as Mortgage, dated June 27, 1985, recorded in said Bureau in Book 18740, Page 550, to secure \$65,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.

b) Mortgage by James David Crockett and Setsuko Crockett, husband and wife, as Mortgagor, and Rayburn Gynith Alexander and Mildred Alexander, husband and wife, as Mortgagee, dated May 27, 1985, recorded in said Bureau in Book 18740, Page 560, to secure \$65,000.00 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to.

5. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the Declaration of Condominium Property Regime of "116-118 Kaneohe Bay Drive" dated May 9, 1991, recorded in said Bureau as Document No. 91-126785 and as Condominium Map No. 1156, to which reference is hereby made.

6. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the By Laws of the Association of Apartment Owners of "116-118 Kaneohe Bay Drive" dated May 9, 1991, recorded in said Bureau as Document No. 91-126786.

C:\WP5\CONDO\KBD.EXB

EXHIBIT "C"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) A buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is contingent on any financing after the issuance of the final public report.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That interest on deposits shall belong to the Seller so long as said funds are held in escrow.

(d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.

(e) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "D"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

(a) Developer will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "E"

116-118 KANEOHE BAY DRIVE

REGISTRATION NO. 2547

DISCLOSURE STATEMENT AS OF MAY 9, 1991

1. Name of Project: 116-118 KANEOHE BAY DRIVE
2. Address: 116-118 Kaneohe Bay Drive, Kailua, Hawaii 96734
3. Name of Developer: David Gynith Alexander and Heidemarie M. Alexander and James D. Crockett and Setsuko Kono Crockett.
4. Address of Alexanders: 118 Kaneohe Bay Drive, Kailua, Hawaii 96734
Address of Crocketts: 116 Kaneohe Bay Drive, Kailua, Hawaii 96734.
5. Telephone Number: (808) 254-4963 - James D. Crockett
6. Project Manager or Agent: James D. Crockett
7. Address: 116 Kaneohe Bay Drive, Kailua, Hawaii 96734
8. Maintenance Fees: \$50.00 a month for each apartment owner for yard cleaning services.
9. Commencement of Maintenance Fees: Continuation of present yard cleaning services. At such time there is the need for any further services or other expenses the Association to make such determination.
10. Warranties: There are no warranties since the construction of both units have been completed and all building warranties have expired.
11. Project: The Project is a fee simple condominium conversion of 2 existing structures for residential use.

DATED: Kailua, Hawaii, May 9, 1991.

David Gynith Alexander
DAVID GYNITH ALEXANDER

Heidemarie M. Alexander
HEIDEMARIE M. ALEXANDER

Subscribed and sworn to before me
this 9th day of May, 1991.

Gail Lynn Keller
NOTARY PUBLIC, STATE OF ~~HAWAII~~ Florida
My commission expires: 8

NOTARY PUBLIC STATE OF FLORIDA
MY COMMISSION EXP. MAY 19, 1992
BONDED THRU GENERAL INS. UND.

DATED: Kailua, Hawaii, 8 AUGUST, 1991.



JAMES D. CROCKETT



SETSUKO KONO CROCKETT

Subscribed and sworn to before me
this 8TH day of AUGUST, 1991.



NOTARY PUBLIC, STATE OF HAWAII

LS

My commission expires: 7 Aug 95

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EXHIBIT "F"

BUILDING AND HOUSE RULES
116-118 KANEOHE BAY DRIVE

The purpose of these Building and House Rules ("Rules") is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of the 116-118 KANEOHE BAY DRIVE Condominium, hereinafter referred to as "Project", and to provide for the maximum enjoyment of the premises. All owners and occupants, their agents, employees and invitees shall be bound by these Rules and standards of reasonable conduct whether covered by these Rules or not.

1. Definitions. As used herein:

a. The "Area" refers to the land set aside for the use of each owner as a limited common element.

b. The "Apartment" refers to the existing buildings built on the land designated as the limited common element for the owner and any subsequent improvements built within the Area.

2. Building Permit. Any owner desiring to make an addition to the existing buildings and/or construct any new building will have to comply with the building and zoning ordinances as the same may be changed from time to time. The requirements of the City and County of Honolulu ordinances is required to be observed in the construction of a single family dwelling as well as the following:

a. Apartment A shall not exceed one (1) story in height and Apartment B shall not exceed two (2) stories in height.

b. No structure of a temporary character, trailer, quonset hut, tent, shack, and/or barn shall be used as a permanent residence.

c. In any grading and/or excavation of the Apartment the grade of the Apartment shall not be altered in such a manner as to affect the drainage of any adjoining Apartment.

3. Parking. The common element driveway and parking stalls are described in the Condominium Map. Each owner of an apartment shall share equally in the maintenance of the parking

area, except each apartment shall maintain their respective parking stalls appurtenant to their apartments.

4. Vehicles and Equipment. No vehicles, equipment, boats and/or trailers shall be kept, placed or maintained in an uncovered state.

5. Garbage and Trash. Each unit shall place his own garbage, trash and rubbish in covered receptacles or in plastic or fastened bags. Each owner shall exercise reasonable care to avoid exposure of waste materials to flies, roaches, rodents and other insects or materials.

6. General Appearance.

a. Clothes Drying. Outside clothes lines or other outside clothes drying or airing facilities should be screened from the street and the other apartment.

b. Signs. Signs, signals and lettering may be inscribed or exposed on any part of a building or in the common elements of the project that meets the requirements of the ordinances of the City and County of Honolulu and approved as to standards set by the Board of Directors of the Association from time to time.

c. Storage. No open storage of furniture, fixtures, appliances and other goods not in use will be permitted if not screened from the street and the other apartment.

d. Antenna. No antenna or other device to receive or transmit any television, radio, C.B. or any electronic signal shall be erected, placed or maintained on any building or area that is visible from the other apartment without the prior written approval of the other apartment owner.

e. Mailboxes and Street Address. Mailboxes and street address shall be in an Area that is set aside for each apartment at the driveway entrance.

7. Water and Utilities. The water, electricity and telephone lines will be drawn from the street to each Apartment abutting the street at their own cost and expense.

8. Setbacks. Any dwelling and/or structure placed in an Area by an owner will observe the perimeter boundaries of each Area.

9. Upkeep of Area. Each owner will be responsible for the landscaping and upkeep of its own Area and shall not permit its Area to be overgrown with weeds and/or place used vehicles and/or storage of materials to make the Area become unsightly like a junkyard.

Adopted at Kailua, Oahu, Hawaii, this 9th day of May, 1991.

David Gynith Alexander
DAVID GYNITH ALEXANDER

James D. Crockett
JAMES D. CROCKETT

Heidemarie M. Alexander
HEIDEMARIE M. ALEXANDER

Setsuko Kono Crockett
SETSUKO KONO CROCKETT

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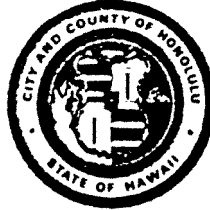
EXHIBIT "G"

BUILDING DEPARTMENT

CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR



HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex91-11

January 30, 1991

Mr. James Hochberg
Wagner & Watson
Attorneys At Law
737 Bishop Street, Suite 2480
Grosvenor Center - Mauka Tower
Honolulu, Hawaii 96813

Dear Mr. Hochberg:

Subject: Condominium Conversion Project
116 and 118 Kaneohe Bay Drive
Tax Map Key: 4-4-001: 014

This is in response to your letter dated October 19, 1990 requesting verification that the one- and two-story single-family dwellings located at 116 and 118 Kaneohe Bay Drive met all code requirements at the time of construction.

Investigation revealed that the two dwellings with at least four off-street parking spaces met the applicable code requirements when they were constructed. The front dwelling was constructed approximately in 1959 and the rear dwelling was constructed with an ohana permit in 1983.

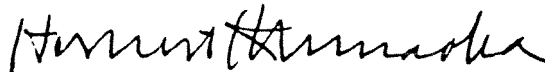
The existing garage for the front dwelling was converted to a storage room with building permit No. 296534 dated January 7, 1991.

No variances or special permits were granted to allow deviations from any codes.

Mr. James Hochberg
Wagner & Watson
January 30, 1991
Page 2

If you have any questions regarding this matter, please
contact Mr. Ivan Matsumoto of this office at telephone 527-6341.

Very truly yours,



HERBERT K. MURAOKA
Director and Building
Superintendent

Subscribed and sworn to
before me this 1st day of
February, 1991.



Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1991